

2nd CONSULTATION
ON THE REVISION
OF THE
TRANS-EUROPEAN TRANSPORT NETWORK (TEN-T) POLICY

SUMMARY

1. The revision of the existing TEN-T planning will have to be made in a way that allows the use of existing infrastructure thus contributing more effectively to the development of the transports sector, as well as the achievement of the objectives of other relevant Community policies (regional development, cohesion, environmental protection, etc.) and thereby of the strategic objectives of “Europe 2020”. This means that TEN-T planning can and must support “smart”, sustainable and growth without exclusions since it can contribute to the use of innovative technologies, the promotion of research projects, a greener and competitive economy, the fight against climate change, the EU’s social, economic and territorial cohesion, the deepening of the single European market, but also to the extroversion of the European economy and the elimination of social and geographical exclusion.

2. The principles and criteria for the core network’s planning as defined in the consultation document on the “revision of the TEN-T policy” require the use of multicriteria analysis in the planning process. Although multicriteria analysis does make it possible to take into account the synergy between the different policies of the EU, it also entails the risk that the wrong importance may be attributed to the evaluation criteria, making it difficult to properly weigh individual factors. In order to avoid this risk, multicriteria analysis should take into account the differences that exist between member states and between their regions, which means that the criteria to be applied should be further qualified for each member state, to allow their individual specificities to be determined in order to achieve at the end, an integrated approach for the development of the TEN-T.

3. Innovative/complementary infrastructure means and, in particular the use of new technologies in the transport sector, are an integral part of the TEN-T and of the transport policy in general. The TEN-T could never be fully integrated without the use of the new technologies: “smart infrastructure”. To enhance the contribution of innovative infrastructure to the achievement of the objectives for

a future transport system, provision for funding should be made during their planning, research encouraged for their further development and homogeneous specifications introduced to allow for their smooth cross-border implementation and, finally, a flexible organizational and regulatory framework will have to be guaranteed.

4. It needs to be a clear distinction between the institutional framework (decision or regulation) that will determine the Community orientations of the TEN-T and the financial regulations (ERDF, Cohesion Fund, TEN-T budget, etc.). More specifically, financial regulations should be more homogeneous to simplify approval, monitoring and management procedures for co-financed TEN-T Actions.

5. Finally, the establishment of a European Funding Framework is considered as an important initiative. This mechanism should become a tool for the coordination and monitoring of the resources made available for the co-financing of the TEN-T by the structural funds (ERDF, Cohesion Fund, etc.) from the TEN-T budget, as well as from other sources, e.g. EIB, PPPs, etc.

A) TEN-T PLANNING METHODOLOGY

Q1) Are the principles and criteria for designing the core network, as set out above, adequate and practicable? What are their strengths and weaknesses and what else could be taken into account?

The fact that transport policy affects and is affected by a range of other policies (regional development policy, environmental protection policy, cohesion policy, etc.) makes a transport network planning a difficult process that requires a large number of interdependent factors and criteria to be taken into consideration.

The “geographical approach” ensures the systematic integration of nodes, access points and intermodal interconnection points in the priority network, as well as the interlinking of projects on the priority axes, thus contributing more effectively to the achievement of the multimodality and interoperability objectives. It recognizes the role of the main axes, comprehensive network links and highlights missing links and bottlenecks.

Moreover, the “geographical approach” overlays the “transport demand approach” as it allows the combination of a large amount of principles and the application of multicriteria analysis to the TEN-T planning methodology, which shall be included (and is expected to be included) as one of the main criteria is and the criterion of

transport demand. Nevertheless, the use of multicriteria analysis entails the risk of attributing the wrong importance to the evaluation criteria thus making it difficult to properly weigh interdependent factors (e.g. economic and environmental factors, cohesion, regionality, internal market, etc.). To avoid this risk, multicriteria analysis should take into consideration the differences between member states and their regions.

The planning process of the core network should rely on existing priority axes, starting with the identification of the network's main nodes, thus providing a sound basis for the modernization and the future development of the TEN-T as a core network. When defining nodes as "main" or "intermediate" the differences in geographical structure (mountain, island regions, etc.), population concentration, transport needs, the priorities of regional and other development policies should be taken into account for each member state.

For this reason, the criteria to be applied should be further qualified for each member state in order to take its specificities into account. This means that the general direction, as outlined today for each group of criteria, should be adapted to the characteristics of the member state and its network, in order to arrive finally at an integrated approach for the development of the TEN-T.

For an integrated approach in TEN-T planning, the following factors should be taken inter alia into consideration:

- The level of implementation of the TEN-T Actions by member states (priority axes and remaining network), in relation to the real needs of the member states and the EU.
- The synergy between the TEN-T policy and other complementary and interconnected Community policies, such as regional policy, cohesion policy, environmental policy, etc., that contribute to the regions' development and reduce inequalities between them.
- The geographical position and morphology of the member states and its impact on the construction, management, operation and maintenance costs of infrastructures.
- The geographical structure of countries with a strong mountain and/or island character, particularly in the case of ports and airports with no direct connection to the hinterland, to ensure that they shall not be excluded from the "core" network.

- The quality level of existing infrastructure in every member states, the transport requirements which they cover, and the different investment needs that arise as a result.
- Any change in the conditions affecting the implementation of planned investments (e.g. economic situation, geopolitical changes, technological changes, etc.)
- The member states' position in the operational structure of the European and the global transport infrastructure map (e.g. transit country, country-gateway to other continents, etc.).
- The member states' production structure and their particular features.

Finally, it should be stressed that the TEN-T will be truly operational only when it becomes fully integrated and complete. The linking of priority axes, as well as major nodes, is of fundamental importance for the TEN-T's operation as a true network. It is therefore essential to eliminate deficient links and "blind spots," by the creation of new and the upgrading of existing nodes, with the view to ensure interoperability and to support intermodality.

Q2) To what extent do the supplementary infrastructure measures contribute to the objectives of a future-oriented transport system and are there ways to strengthen their contribution?

Innovative/supplementary infrastructure measures and, in particular, new technologies that apply to the transport sector (e.g. traffic management systems, information systems for infrastructure users, guidance systems, etc.) contribute to the achievement of the objectives of the TEN-T policy and of the transport policy in general, to such an extent that they must be considered as an integral part of these policies.

Under present conditions, the TEN-T cannot become fully integrated, interoperable and intermodal without the use of new technologies, while achieving synergy between the TEN-T policy and other policies becomes impossible since the objectives of energy saving, climate change curbing and safety improvements cannot be promoted.

Supplementary infrastructure measures contribute to the solving of problems arising from network congestion. Therefore, make it possible to improve the transport system by ensuring better traffic management, thus increasing safety, reducing travel time and cost, air pollution and fuel consumption and contributing

in this way to the establishment of a transport network that fully complies with the “Europe 2020” strategy for smart, sustainable and without exclusions growth.

In order to increase the contribution of supplementary infrastructure measures, basic facilities of a similar level should exist in all member states; their use should be coordinated, cover all modes of transport at pan-European level and be governed by a uniform framework and technical standards.

The concept of common interest project (infrastructure) should also include all investments in technological innovation, which may need to be adapted to the infrastructures and which result from the use of new energy sources, new generations of intelligent transport systems and new smart vehicles. They should also incorporate the changes in materials and software, as well as in the organization structures of a transport network, with respect to traffic management, supply chain management, freight and vehicle track and tracing issues.

To enhance the contribution of innovative infrastructures in achieving the objectives for a future transport system it is essential to:

- ensure good programming during the initial planning of new infrastructures and the possibility of adapting – upgrading existing infrastructures
- give priority to their financing
- provide incentives for promoting research in new technologies
- promote close cooperation between member states, for cross-border projects in particular, in order to coordinate funding and the application of common technical standards
- ensure the organization and regulatory framework
- provide the capability of adapting the relevant regulatory framework so that it can immediately respond to any technological developments.

Q3) What specific role could TEN-T planning in general play in boosting the transport sector’s contribution to the “Europe 2020” strategic objectives?

TEN-T planning should be done in such a way as to promote the objectives of the transport policy in general, thus contributing more effectively not only to the development of the transport sector, but also to the achievement of the

objectives of other relevant community policies and thereby of the strategic objectives of "Europe 2020".

More specifically, TEN-T planning can support the efforts for achieving the strategic objectives and priorities which complies with the Europe 2020 strategy, i.e. smart, sustainable and without exclusions growth as it can:

- contribute to the use of intelligent technologies, which are at the heart of a modern transport network's operation, promoting smart growth. The transport sector provides the capability of developing information and communication technologies that can be applied to intelligent transport systems and produce new products and services;
- play a helpful role in promoting research programs and could also guide targeted research and entrepreneurship through a regulatory framework that regulates technical specifications;
- contribute to:
 - sustainable development by promoting more efficient use of resources and a greener and more competitive economy;
 - the combat against climate change through energy savings, more efficient management of the demand for the mobility of persons and goods, removal of bottlenecks and the shift to environment-friendly modes of transport;
 - social, economic and territorial cohesion of the EU, regional development, ending the isolation of population groups, in particular those living in island or mountain regions by improving access to these regions, on the condition that an integrated TEN-T will be created;
 - increased competitiveness, improvement of the business environment, restructuring of production sectors, etc.;
 - the deepening of the European single market and to the extroversion of the European economy through the linking of the national networks of member states to those of non-EU countries;
 - the implementation of infrastructure projects of great strategic importance for the EU, such as international transit centers that will give a competitive advantage to the EU;

- labor force access to existing or new employment poles, the creation of quality jobs and the elimination of social exclusion.

B) TEN-T IMPLEMENTATION

Q4) In which way can the different sources of EU expenditure be better coordinated and/or combined in order to accelerate the delivery of TEN-T projects and policy objectives?

The combination/coordination of EU resources, particularly under present economic conditions, which requires stringent fiscal discipline on the part of member states, is one of the few remaining alternatives for more efficient financing of TEN-T actions in order to accelerate their implementation. At the same time, it is one of the ways of increasing the added value of resources in a period of restricted budgets.

Coordination between policy principles and the resources for its implementation is an essential prerequisite for achieving its objectives. Given the fact that TEN-T policy is linked to a large number of other EU policies, coordination between them makes it imperative to combine not only their principles but also their financial instruments.

Nevertheless, for coordination of resources to achieve the expected results, it is important to ensure that the objectives pursued by each policy do not cancel one another. At the same time, coordination of resources requires the adoption of common financing criteria and procedures. Taking into account the fact that each member state attributes a different importance to various sectoral policies and to their individual objectives, it becomes extremely difficult to adopt uniform criteria for all financial instruments as regards the approval and funding of TEN-T projects. As a result, the process of selecting criteria and attributing a weighting factor to each of them should be conducted with great care, otherwise the coordination of financial instruments might in the end deter member states from implementing the projects.

Community assistance is provided to member states through the structural funds (ERDF, Cohesion Fund, TEN-T budget, etc) and the European Investment Bank (EIB), within the framework of EU regulations. For a more efficient coordination of resources:

- there needs to be:
 - short, medium and long-term determination of financial requirements for the whole TEN-T;
 - as a point of reference shall be the programming period, for better programming at program/action level, enabling a more efficient monitoring and management, as well as flexibility in proceeding to corrective interventions,
 - long-term programming, in particular in the case of a priority project whose implementation exceeds the time limits of a programming period to ensure its financing as a “bridge project”.

- to ensure from the EU, the co-financing of the central priority network projects, irrespective of the programming periods (as regards their duration) or, alternatively, apply for the projects concerned, the concept of “bridge project” with the view to enabling their completion, with a corresponding commitment of the member state;

- promote and further enhance the role of the European Coordinator so that it is not limited only to issues of cross-border coordination but also directly involved in the coordination procedures for the financing and management of projects, to guarantee their full implementation;

- adopt – insofar as possible – uniform rules. For example, Joint Steering Committees or Monitoring Committees could be set up on the model of the Monitoring Committees of Operational Programs;

- develop further the Open Method of Coordination (OMC) as a common working framework and methodology as well as supporting mechanism;

- standardize procedures for the financing of projects irrespective of the source of financing (ERDF, Cohesion Fund, TEN-T budget, etc.) to enable a more homogeneous procedure for submitting applications for financial assistance (uniform forms, etc.), approval and financial flows (payments in advance, interim and final payments) as well as management and monitoring of projects;

- establish a European Funding Framework, which should operate as a coordination and monitoring instrument of the funds provided for the co-financing of the TEN-T and not as an independent funding framework, as funds originate from different sources of financing (ERDF, Cohesion Fund, etc.)

Q5) How can an EU funding strategy coordinate and/or combine the different sources of EU and national funding and public and private financing?

A single funding strategy requires the development of a clear regulatory framework that will allow the coordination of the resources provided by the EU and the member states, weigh financing percentages between EU and national resources to prevent adding further charges to the budget of the member states, whilst providing incentives for the private sector's participation.

The financing of the projects to be implemented requires the combination of available resources, depending on the needs of the projects and the public (regional development, cohesion, accessibility, etc.) or private character of the projects.

The regulatory framework should also set out common funding criteria, as well as uniform and standardized procedures for submitting applications for funding. The coordination of resources for the implementation of the TEN-T should not rely solely on existing mechanisms, but enable the development of innovative and flexible financial mechanisms favouring TEN-T Actions capable of supporting multiple sectoral policy objectives.

Enhancing the participation of private initiative through public-private partnerships (PPP) is a highly promising prospect for the years to come and for the development of the TEN-T. It would be advisable to explore the mobilization of private funds beforehand, not only at the level of the core network, but also at the level of the comprehensive network and network nodes (freight centers, ports, railway stations, airports, trans-shipment terminals) and their combination (e.g. development of a terminal and road or railway component).

To enable coordination between EU – national funding and between public – private funding:

- the feasibility and nature of the project to be implemented should be determined, for the selection of the most suitable financing scheme from the very beginning. For example, public funding (both national and EU) should mostly focus on infrastructure Actions with a higher cost and business risk that guarantee transport safety and environmental protection, whilst private funding should focus on projects that are commercially profitable, covering technological innovation, management and operation of the transport network, provision of services and superstructure facilities, etc.
- a flexible legal framework and an administrative mechanism should exist ensuring smooth participation of private capital, as well as a mechanism (e.g. for the billing of transport services, etc.) allowing compensation of private investors for such participation.
- A standardized procedure, as well as uniform specifications for loans or other forms of financing (LGTT, Marguerite Fund, etc) from the European Investment Bank (EIB) based on common specifications for the projects issued by the EU, while avoiding restrictions or conditions that would make it impossible to attract private funds.
- Additional financial instruments should be developed (e.g. business capital provision mechanism, loan guarantee instrument, Eurobonds, etc.), which are considered essential for the further mobilization of member states and private persons.
- The role of the “European Expertise Center” that was recently established should be further enhanced for public-private partnerships in order to contribute to the dissemination of acquired experience.

Q6) Would the setting up of a European funding framework adequately address the implementation gap in the completion of TEN-T projects and policy objectives?

The creation of a European Funding Framework will make possible to improve the implementation of TEN-T Actions. However, the coordination of resources cannot solve the problem of financing, as it does not replace the contribution of national resources, which are now limited, nor the need for the participation of the private sector.

The provisions of the Stability Pact with respect to the reduction of member states' fiscal deficits lead to delays in the funding of TEN-T Actions, while present economic conditions make any forecasts on transport demand, in the freight sector in particular that generates economies of scales, highly uncertain and this might discourage private sector investments in TEN-T projects.

For the implementation of TEN-T projects therefore and achievement of TEN-T policy objectives, coordination of the EU's financial instruments alone is considered as being insufficient and, in our view, additional actions are required, such as:

- increasing the resources from the TEN-T budget,
- increasing the Community participation in the financing,
- dealing with structural problems and discontinuity phenomena as a result of frequent administrative changes within member states and between them and the EU,
- simplifying and specifying financing procedures for the TEN-T Actions and ensuring strong political commitment for their implementation at all governance levels,
- coordinating projects at cross-border level,
- long-term programming of the financing of TEN-T projects
- determining priorities both at national and European level
- simplifying procedures (institutional – legal framework) for attracting investments aiming at the development of the TEN-T at national and European level.

C) THE LEGAL AND INSTITUTIONAL FRAMEWORK OF THE TEN-T POLICY REVIEW

Q7) In which way can the TEN-T policy benefit from the new legal instruments and provisions as set out above?

The existence of a framework (Decision or Regulation) on Community orientations for the development of the TEN-T and -as far as possible- the homogenization of the financial regulations (ERDF, Cohesion Fund, TEN-T budget etc.), will help to

make the overall regulatory framework that governs the financing of TEN-T projects more simple whilst promoting a more effective and targeted use of Community and national financial resources, in accordance with the directions and policies for the transport sector.

Furthermore, consistency between the different EU policies (regional policy, cohesion policy, etc.) and the principles of the EU transport policy can be maximized, with the view to eliminate any conflicting or discontinuity elements and to improve the funding procedure and the more efficient use of Community resources.

There is a need therefore for a more homogeneous regulatory framework that meets the funding requirements of the TEN-T while supporting, at the same time, the Transport Policy. The relevant legislation should be flexible and capable of adjusting to market developments and new technologies, which move very fast in the transport sector in particular. It should also reduce, insofar as possible, the administrative cost that is quite high because of the differences that exist between regulations (application for financial assistance procedure, interim and final payments, audit and certification procedures, different management systems that need to be implemented by member states for fund management, etc.).

At the same time, the new legislation should clearly define the competences of the EU as well as its obligations towards the member states and the other EU institutions. Since the new TEN-T regulatory framework will integrate the principles of the Transport Policy, as well as the principles of other relevant policies (through the analysis of the "conceptual pillar") such as cohesion and regional development policies, relations between the EU's administrative and political structures (committees, General Directorates, etc.) will become more effective, thus achieving the best possible coordination and improving the synergy between the abovementioned policies.

Defining the role and obligations of member states at all the stages of implementation of TEN-T Actions and strengthening dialogue and cooperation between states, will contribute to their commitment to integrated transport network planning, thus avoiding the significant delays observed during implementation.

Nevertheless, special attention should be given to the respect of the subsidiarity principle, so as not to hurt the sovereign rights of member states in the planning and implementation of infrastructure projects. At the same time, emphasis should be given to the involvement of regional and local authorities during all the stages

of implementation of the Actions, to ensure political commitment at all the levels of governance and support the cohesion policy.

As regards cross-border TEN-T projects, the regulatory framework should ensure the express commitment of participating member states e.g. through the signing of MOUs and the setting up of intergovernmental committees.

Finally, the capability of including different non-regulatory mechanisms to accelerate implementation of TEN-T Actions, such as the institution of the European Coordinator and the use of the Open Method of Coordination should be explored as a means for facilitating decision-making.